

EXAMINER'S BANKING PRACTICES SURVEY

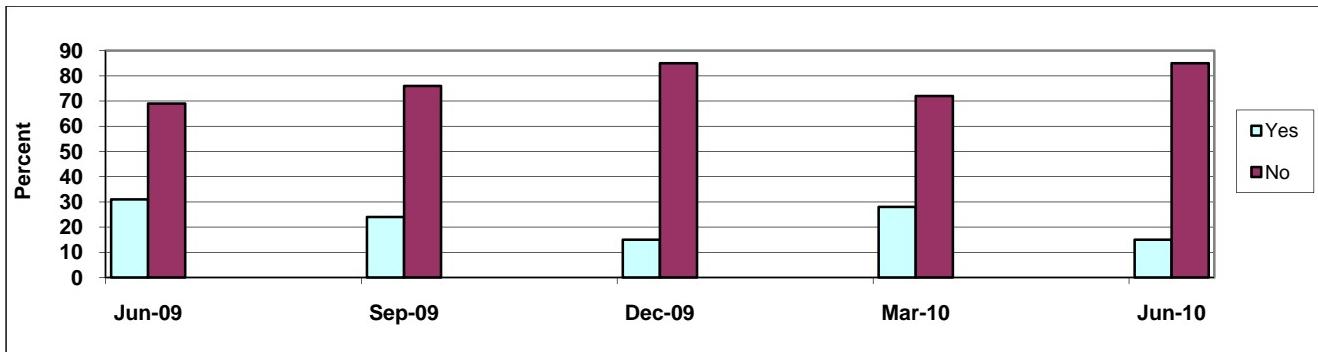
Second Quarter 2010

Division of Finance
State of Missouri

This survey is completed by bank examiners at the conclusion of each examination. Second Quarter 2010 results are compiled from 39 responses.

LENDING

1. Since the last examination, has the institution significantly increased lending activity in any particular segment of the portfolio? "Significantly" means growth of 20% or more.



Of yes responses:

Loan Type	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10
RE/Const/Land Devel	12%	22%	25%	19%	13%
RE/Agricultural	15%	17%	25%	12%	12%
RE/Commercial/Indust	21%	22%	25%	25%	25%
RE/Residential	12%	11%	0%	0%	13%
Agricultural	9%	6%	0%	6%	12%
Commercial/Industrial	24%	22%	17%	25%	13%
Consumer	7%	0%	8%	13%	12%

2. Is the institution active in making the following types of loans?

	Sep-09		Dec-09		Mar-10		Jun-10	
	Yes 5%	No 95%	Yes 0%	No 100%	Yes 10%	No 90%	Yes 3%	No 97%
Of Yes Responses-Loan type								
Sub-prime/Predatory lending	100%		0%		33%		0%	
Dealer paper	0%		0%		67%		100%	
Low or No-doc bus. lending	0%		0%		0%		0%	
High LTV home eq. lending	0%		0%		0%		0%	

3. Is the bank offering below market interest rates or reduced fees to attract loans?

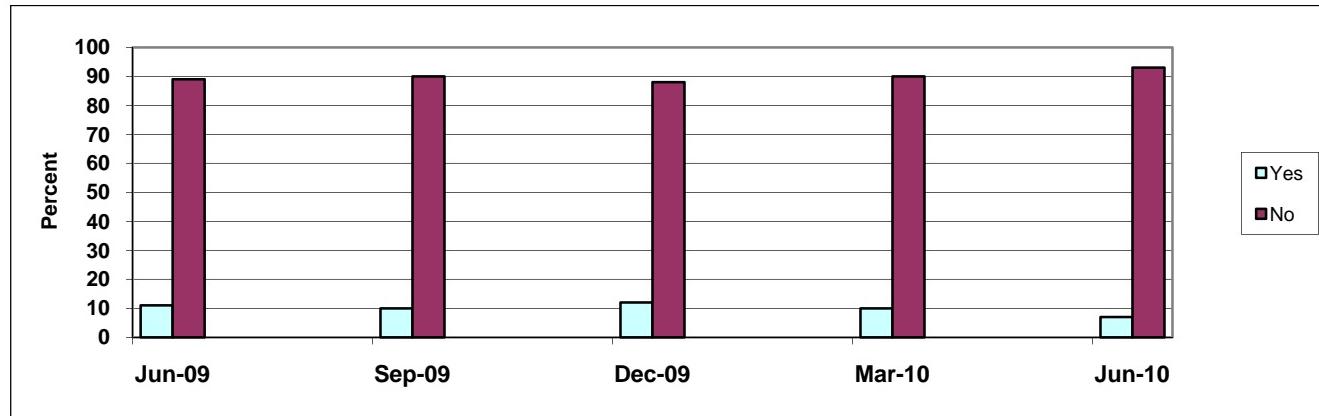
	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10
Yes	6%	0%	3%	0%	0%
No	94%	100%	97%	100%	100%

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4. Does the institution use credit scoring models for loan decisions?

	Sep-09		Dec-09		Mar-10		Jun-10	
	Yes 10%	No 90%	Yes 12%	No 88%	Yes 14%	No 86%	Yes 15%	No 85%
Of Yes Responses - Loan type								
Credit card	8%		0%		0%		7%	
Consumer	31%		44%		43%		43%	
Residential mortgage	31%		44%		43%		36%	
Small business	23%		12%		14%		7%	
Other	7%		0%		0%		7%	

5. Are there indications the bank is incurring "more-than-normal" risk to boost new loans?



Of yes responses:

	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10
Making collateral based loans?	11%	12%	22%	0%	38%
Reduced collateral margins?	22%	25%	11%	0%	12%
Not requiring cash flow projections?	22%	25%	34%	50%	25%
Liberal repayment terms? (reduced debt service ratios; interest only; deferred, extended, balloon or negative amortization payments)	11%	13%	22%	25%	25%
Waiving guarantees or other documentation?	11%	12%	11%	0%	0%
Other	23%	13%	0%	25%	0%

6. Describe potential risk in current underwriting practices for:

	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10
Agricultural Loans					
Minimal	88%	84%	88%	79%	92%
Moderate	9%	16%	12%	21%	8%
Substantial	3%	0%	0%	0%	0%
Commercial Loans					
Minimal	63%	47%	53%	55%	54%
Moderate	31%	44%	41%	31%	33%
Substantial	6%	9%	6%	14%	13%
Consumer Loans					
Minimal	83%	68%	79%	72%	77%
Moderate	14%	32%	18%	24%	23%
Substantial	3%	0%	3%	4%	0%
Residential Loans					
Minimal	80%	79%	76%	79%	77%
Moderate	20%	21%	21%	21%	23%
Substantial	0%	0%	3%	0%	0%

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7. Differences between actual lending practices and written policies are:

	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10
Agricultural Loans					
Minimal	94%	95%	97%	83%	97%
Moderate	6%	5%	3%	17%	3%
Substantial	0%	0%	0%	0%	0%
Commercial Loans					
Minimal	80%	74%	74%	72%	77%
Moderate	17%	21%	24%	24%	18%
Substantial	3%	5%	3%	4%	5%
Consumer Loans					
Minimal	94%	92%	94%	86%	97%
Moderate	6%	8%	6%	14%	0%
Substantial	0%	0%	0%	0%	3%
Residential Loans					
Minimal	91%	92%	82%	83%	97%
Moderate	6%	8%	18%	17%	0%
Substantial	3%	0%	0%	0%	3%

8. With regard to agricultural loans, describe the potential risk the bank faces from:

	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10
Carryover Debt					
Minimal	89%	84%	91%	86%	85%
Moderate	11%	16%	9%	14%	15%
Substantial	0%	0%	0%	0%	0%
Phase-out of Farm Subsidies					
Minimal	91%	79%	91%	90%	92%
Moderate	9%	21%	9%	10%	8%
Substantial	0%	0%	0%	0%	0%
Drop in Land Values					
Minimal	80%	74%	97%	90%	80%
Moderate	17%	26%	3%	10%	20%
Substantial	3%	0%	0%	0%	0%

9. Has the ratio of Total Adversely Classified Items/Tier 1 Capital & ALLL increased (+) or decreased (-) since the prior examination?

No. Banks with Inc/(Dec) in ratio (%)	Sep-09		Dec-09		Mar-10		Jun-10	
	+ 71%	- 29%	+ 71%	- 29%	+ 76%	- 24%	+ 64%	- 36%
Average Inc/(Dec) in Ratio	29.5	(9.7)	23.3	(16.0)	21.0	(13.2)	28.2	(12.3)
Cause of Increase								
Eased underwriting standards	0%		2%		2%		0%	
Deterioration in new loans	2%		4%		2%		2%	
Deterioration in older loans	43%		43%		43%		45%	
Participations or out-of-territory	8%		8%		17%		9%	
Economic conditions	40%		39%		32%		36%	
Changes in lending personnel	2%		2%		0%		2%	
New types of lending activity	0%		0%		2%		0%	
Other	5%		2%		2%		6%	

10. Estimate loan classifications at this examination into the following types:

Loan Type	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10
RE/Const/Land Development	25%	48%	53%	27%	26%
RE/Agriculture	2%	1%	1%	1%	2%
RE/Commercial/Industrial	35%	29%	29%	51%	44%
RE/Residential	15%	9%	6%	9%	11%
Agricultural	1%	0%	0%	1%	1%
Commercial/Industrial	16%	10%	9%	8%	13%
Consumer	6%	3%	2%	3%	3%

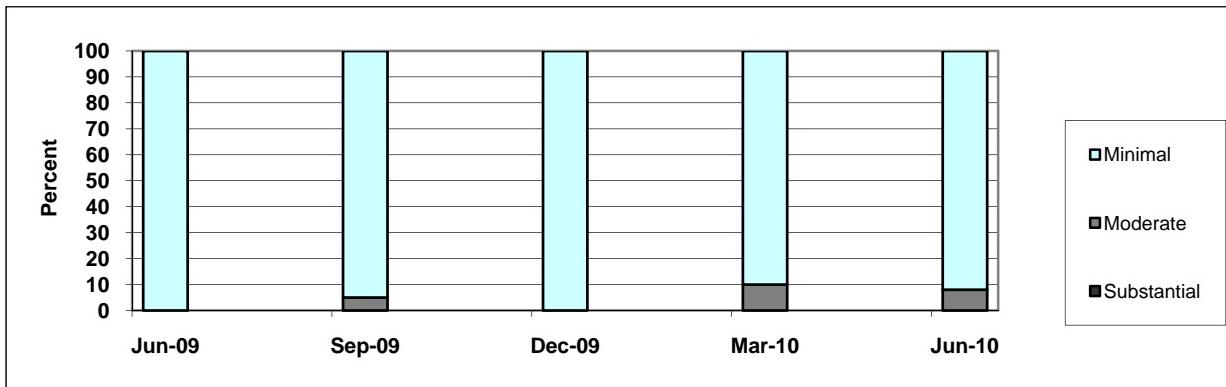
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INVESTMENTS

11. Since the last examination, has the institution purchased securities without understanding the characteristics of the issue?

	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10
Yes	0%	0%	0%	0%	3%
No	100%	100%	100%	100%	97%

12. Differences between actual investment practices and written policies are:



OTHER

13. Has the bank established a borrowing line with FHLB?

	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10
Yes	91%	95%	94%	86%	87%
No	9%	5%	6%	14%	13%
If yes, does the bank actively borrow from the FHLB?					
Yes	78%	75%	84%	80%	82%
No	22%	25%	16%	20%	18%

14. Does the bank hold off-balance sheet derivatives?

	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10
Yes	6%	5%	9%	3%	15%
No	94%	95%	91%	97%	85%

15. List nontraditional activity the institution is engaged in.

	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10
Yes	91%	82%	85%	90%	85%
No	9%	18%	15%	10%	15%
Of those that do:					
Nondeposit Investment Sales	15%	18%	18%	13%	13%
Insurance Sales	8%	8%	7%	11%	10%
Real Estate Loan Secondary Market Sales	28%	31%	31%	34%	29%
Non-transactional Web Site	12%	6%	7%	8%	7%
Transactional Web Site	37%	37%	35%	34%	40%
Other	0%	0%	2%	0%	1%